



**CLINTON COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-102
September 30, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Clinton, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Clinton County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The county does not have procedures in place to track federal financial assistance for the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The county's SEFA contained numerous errors and omissions.
- Bids were not always solicited, nor was bid documentation always retained for various purchases made by the county during the audit period. In addition, the county did not enter into formal written agreements for mapping services or domestic violence funding.
- Minutes were not always prepared to document the matters discussed in closed meetings and open meeting minutes did not always document the information required by state law regarding closed meetings.
- Clinton County received advances from the Multi-County (ACCD) 911 Board which exceeded applicable mapping expenditures by \$32,335. This excess should be reviewed and possibly refunded.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Clinton County's Associate County Commissioners salaries were each increased approximately \$7,400 yearly, according to information from the County Clerk.

(over)

YELLOW SHEET

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$14,800 for the two years ended December 31, 2000, should be repaid.

- The county does not maintain detailed timesheets to ensure amounts paid to the 911 Coordinator are appropriately allocated among the 911 Fund, Special Road and Bridge Fund, and General Revenue Fund.

Also included in the audit are recommendations to the Health Center relating to depository agreements, collateral securities, and receipting monies, and to the Senate Bill 40 Board relating to contracts, approval of requests for funds, and supporting documentation for expenditures. In addition, recommendations were made to improve accounting controls and procedures of the Associate Circuit Division, Sheriff, and County Clerk.

All reports are available on our website: www.auditor.state.mo.us

CLINTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>	
<hr/> <u>FINANCIAL SECTION</u> <hr/>		
State Auditor's Reports:	2-6	
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4	
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6	
Financial Statements:	7-18	
<u>Exhibit</u>	<u>Description</u>	
A-1	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 2001	8
A-2	Year Ended December 31, 2000	9
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds, Years Ended December 31, 2001 and 2000	10-18
Notes to the Financial Statements	19-23	
Supplementary Schedule:	24-26	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2001 and 2000	25-26	
Notes to the Supplementary Schedule	27-29	
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>		
State Auditor's Report:	31-33	
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	32-33	

CLINTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>	
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>		
Schedule:.....	34-37	
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 2001 and 2000.....	35-37	
Section I - Summary of Auditor's Results	35-36	
Section II - Financial Statement Findings	36	
Section III - Federal Award Findings and Questioned Costs.....	36-37	
<u>Number</u>	<u>Description</u>	
01-1.	Schedule of Expenditures of Federal Awards.....	36
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		38-39
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133		40-41
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>		
Management Advisory Report - State Auditor's Findings		43-55
<u>Number</u>		
1.	Bidding and Contracts.....	45
2.	Closed Meeting Minutes	46
3.	Multi-County (ACCD 911) System	47
4.	Officials' Salaries	47
5.	Payroll	48
6.	County Clerk.....	49
7.	Associate Division Accounting Controls.....	49
8.	Sheriff Accounting Controls	51
9.	Health Center	52
10.	Senate Bill 40 Board	53

CLINTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>	
Follow-Up on Prior Audit Findings	56-58
<hr/> <u>STATISTICAL SECTION</u> <hr/>	
History, Organization, and Statistical Information	60-65

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of Clinton County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Clinton County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Clinton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Clinton County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Clinton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,

2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 8, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Clinton County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

August 8, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Christina Brown
Audit Staff:	Julie Vollmer
	Gek Mui (Melinda) Tan
	Naima Ramlatchman



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Clinton County, Missouri

We have audited the special-purpose financial statements of various funds of Clinton County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Clinton County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Clinton County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Clinton County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 8, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

CLINTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 51,515	1,759,331	1,720,064	90,782
Special Road and Bridge	87,522	1,392,749	1,463,619	16,652
Assessment	1	197,102	197,102	1
Law Enforcement Training	9,516	8,386	7,146	10,756
Prosecuting Attorney Training	1,051	2,563	2,596	1,018
Capital Improvement	284,722	718,113	617,758	385,077
Prosecuting Attorney Child Support	14,219	82,259	78,819	17,659
Mapping Improvement	49,135	3,275	12,293	40,117
Prosecuting Attorney Bad Check	8,765	15,510	14,054	10,221
Drug Abuse Resistance Education	581	23	0	604
Recorder's User Fees	2,261	24,710	22,744	4,227
Emergency	68,590	3,406	0	71,996
Local Emergency Planning	3,501	4,513	3,023	4,991
Peace Officers Standard Training	12,265	4,817	3,682	13,400
Sheriff Civil Fees	11,614	20,283	18,096	13,801
A.C.C.D. 911 Mapping Improvement	33,006	61,594	94,600	0
Sheriff's Canine Training	638	1,038	995	681
Investigative Squad	11,582	68,657	66,565	13,674
Tips Hotline	409	256	665	0
Election Services	2,954	3,256	0	6,210
School COPS	5,960	86,617	83,573	9,004
Associate Division Interest	1,301	425	40	1,686
Circuit Clerk Interest	616	655	901	370
Law Library	6,456	5,870	8,770	3,556
Health Center	75,362	590,973	533,455	132,880
Senate Bill 40 Board	342,593	167,757	212,708	297,642
Alexander Trust	15,000	843	1,000	14,843
Local Law Enforcement Block Grant	0	7,041	7,041	0
Prosecuting Attorney Victims of Crime Advocate	0	10,749	8,198	2,551
Subdivision	0	57,210	0	57,210
Victims of Domestic Violence	0	1,304	1,304	0
Family Guidance	0	10,134	10,134	0
Total	\$ 1,101,135	5,311,419	5,190,945	1,221,609

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

CLINTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 74,946	1,606,196	1,629,627	51,515
Special Road and Bridge	111,434	1,338,634	1,362,546	87,522
Assessment	1	183,944	183,944	1
Law Enforcement Training	7,035	9,328	6,847	9,516
Prosecuting Attorney Training	1,297	2,462	2,708	1,051
Capital Improvement	139,541	525,739	380,558	284,722
Prosecuting Attorney Child Support	13,312	69,456	68,549	14,219
Mapping Improvement	50,072	2,713	3,650	49,135
Prosecuting Attorney Bad Check	5,651	10,672	7,558	8,765
Drug Abuse Resistance Education	551	30	0	581
Recorder's User Fees	394	22,600	20,733	2,261
Emergency	63,945	4,645	0	68,590
Local Emergency Planning	2,115	5,581	4,195	3,501
Peace Officers Standard Training	10,354	4,817	2,906	12,265
Sheriff Civil Fees	12,406	18,955	19,747	11,614
A.C.C.D. 911 Mapping Improvement	87,217	40,434	94,645	33,006
Sheriff's Canine Training	93	1,029	484	638
Investigative Squad	1,891	70,895	61,204	11,582
Tips Hotline	1,642	56	1,289	409
Election Services	0	2,954	0	2,954
School COPS	0	21,600	15,640	5,960
Associate Division Interest	909	442	50	1,301
Circuit Clerk Interest	903	980	1,267	616
Law Library	5,641	5,905	5,090	6,456
Health Center	62,976	630,440	618,054	75,362
Senate Bill 40 Board	299,173	163,263	119,843	342,593
Alexander Trust	14,466	534	0	15,000
Local Law Enforcement Block Grant	0	12,026	12,026	0
Victims of Domestic Violence	0	1,565	1,565	0
Family Guidance	0	26,103	26,103	0
Total	\$ 967,965	4,783,998	4,650,828	1,101,135

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 5,257,191	5,299,981	42,790	4,941,391	4,743,770	(197,621)
DISBURSEMENTS	6,055,488	5,179,507	875,981	5,962,474	4,611,134	1,351,340
RECEIPTS OVER (UNDER) DISBURSEMENTS	(798,297)	120,474	(833,191)	(1,021,083)	132,636	(1,548,961)
CASH, JANUARY 1	1,101,135	1,101,135	0	953,499	953,499	0
CASH, DECEMBER 31	302,838	1,221,609	918,771	(67,584)	1,086,135	1,153,719
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	365,310	375,817	10,507	341,540	316,736	(24,804)
Sales and Use taxes	557,000	618,013	61,013	519,200	547,304	28,104
Intergovernmental	201,961	235,539	33,578	216,758	216,108	(650)
Charges for services	414,911	435,653	20,742	391,909	418,945	27,036
Interest	15,000	13,684	(1,316)	12,000	17,624	5,624
Other	33,237	39,825	6,588	25,751	45,579	19,828
Transfers in	40,800	40,800	0	43,900	43,900	0
Total Receipts	1,628,219	1,759,331	131,112	1,551,058	1,606,196	55,138
DISBURSEMENTS						
County Commission	90,180	88,381	1,799	88,980	88,484	496
County Clerk	68,979	68,527	452	70,555	70,636	(81)
Elections	52,455	42,916	9,539	63,600	69,356	(5,756)
Buildings and grounds	178,800	140,958	37,842	185,978	145,403	40,575
Employee fringe benefits	288,900	240,246	48,654	256,500	205,737	50,763
County Treasurer	42,590	39,783	2,807	43,590	41,214	2,376
County Collector	81,397	74,719	6,678	77,047	73,798	3,249
Ex Officio Recorder of Deeds	32,871	44,703	(11,832)	30,553	17,379	13,174
Circuit Clerk	29,815	4,762	25,053	31,315	24,871	6,444
Associate Circuit Court	11,300	6,288	5,012	11,200	10,360	840
Associate Circuit (Probate)	500	0	500	500	0	500
Court administration	13,000	4,888	8,112	12,500	7,924	4,576
Public Administrator	21,275	21,710	(435)	5,030	5,097	(67)
Sheriff	471,000	446,692	24,308	430,100	407,848	22,252
Jail	128,250	101,529	26,721	150,800	94,540	56,260
Prosecuting Attorney	123,374	119,181	4,193	129,133	132,670	(3,537)
Juvenile Officer	22,024	13,506	8,518	22,248	12,499	9,749
County Coroner	21,280	19,284	1,996	16,080	13,048	3,032
Insurance and bonds	28,000	26,359	1,641	26,800	23,434	3,366
University extension	31,700	31,700	0	30,000	30,012	(12)
Emergency management	8,585	9,960	(1,375)	8,000	7,001	999
Zoning Commission	54,439	46,709	7,730	52,665	40,499	12,166
Miscellaneous	174,800	102,220	72,580	98,280	79,151	19,129
911 Coordinator	5,700	2,343	3,357	7,800	364	7,436
Health and Welfare	400	400	0	400	400	0
Transfers out	11,300	22,300	(11,000)	4,700	27,902	(23,202)
Emergency Fund	48,800	0	48,800	46,532	0	46,532
Total Disbursements	2,041,714	1,720,064	321,650	1,900,886	1,629,627	271,259
RECEIPTS OVER (UNDER) DISBURSEMENTS	(413,495)	39,267	452,762	(349,828)	(23,431)	326,397
CASH, JANUARY 1	51,515	51,515	0	74,946	74,946	0
CASH, DECEMBER 31	(361,980)	90,782	452,762	(274,882)	51,515	326,397

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	660,000	684,848	24,848	619,000	650,466	31,466
Intergovernmental	658,200	641,298	(16,902)	591,520	630,539	39,019
Interest	27,000	15,445	(11,555)	35,000	31,766	(3,234)
Other	30,500	46,858	16,358	63,000	21,163	(41,837)
Transfers in	14,300	4,300	(10,000)	4,700	4,700	0
Total Receipts	1,390,000	1,392,749	2,749	1,313,220	1,338,634	25,414
DISBURSEMENTS						
Salaries	463,600	406,512	57,088	445,000	398,309	46,691
Employee fringe benefits	182,100	130,341	51,759	148,745	110,157	38,588
Supplies	112,000	114,748	(2,748)	107,500	91,381	16,119
Insurance	23,000	18,273	4,727	23,000	15,979	7,021
Road and bridge materials	520,000	449,869	70,131	570,000	437,445	132,555
Equipment repairs	63,000	77,247	(14,247)	60,000	62,300	(2,300)
Rentals	1,000	0	1,000	1,000	91	909
Equipment purchases	222,000	168,282	53,718	268,000	154,966	113,034
Facility improvements	30,000	598	29,402	30,000	4,227	25,773
Construction, repair, and maintenance	8,000	4,506	3,494	20,000	349	19,651
Other	168,000	52,443	115,557	163,000	43,442	119,558
Transfers out	40,800	40,800	0	43,900	43,900	0
Total Disbursements	1,833,500	1,463,619	369,881	1,880,145	1,362,546	517,599
RECEIPTS OVER (UNDER) DISBURSEMENTS	(443,500)	(70,870)	372,630	(566,925)	(23,912)	543,013
CASH, JANUARY 1	87,522	87,522	0	111,434	111,434	0
CASH, DECEMBER 31	(355,978)	16,652	372,630	(455,491)	87,522	543,013
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	191,853	192,190	337	187,650	166,884	(20,766)
Interest	2,150	2,043	(107)	2,150	2,085	(65)
Other	3,650	2,869	(781)	3,650	2,123	(1,527)
Transfers in	0	0	0	0	12,852	12,852
Total Receipts	197,653	197,102	(551)	193,450	183,944	(9,506)
DISBURSEMENTS						
Assessor	205,569	195,698	9,871	201,743	183,944	17,799
Transfers out	0	1,404	(1,404)	0	0	0
Total Disbursements	205,569	197,102	8,467	201,743	183,944	17,799
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,916)	0	7,916	(8,293)	0	8,293
CASH, JANUARY 1	1	1	0	1	1	0
CASH, DECEMBER 31	(7,915)	1	7,916	(8,292)	1	8,293
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	8,000	8,386	386	7,600	9,328	1,728
Total Receipts	8,000	8,386	386	7,600	9,328	1,728
DISBURSEMENTS						
Sheriff	9,000	7,146	1,854	7,500	6,847	653
Total Disbursements	9,000	7,146	1,854	7,500	6,847	653
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	1,240	2,240	100	2,481	2,381
CASH, JANUARY 1	9,516	9,516	0	7,035	7,035	0
CASH, DECEMBER 31	8,516	10,756	2,240	7,135	9,516	2,381

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	2,500	2,563	63	2,300	2,462	162
Total Receipts	2,500	2,563	63	2,300	2,462	162
DISBURSEMENTS						
Prosecuting Attorney	2,500	2,596	(96)	2,800	2,708	92
Total Disbursements	2,500	2,596	(96)	2,800	2,708	92
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(33)	(33)	(500)	(246)	254
CASH, JANUARY 1	1,051	1,051	0	1,297	1,297	0
CASH, DECEMBER 31	1,051	1,018	(33)	797	1,051	254
CAPITAL IMPROVEMENT FUND						
RECEIPTS						
Sales taxes	500,000	512,640	12,640	454,200	484,951	30,751
Intergovernmental	100,000	186,769	86,769	160,000	12,283	(147,717)
Interest	13,000	15,493	2,493	7,000	13,171	6,171
Other	2,000	3,211	1,211	0	15,334	15,334
Total Receipts	615,000	718,113	103,113	621,200	525,739	(95,461)
DISBURSEMENTS						
Road and bridge materials	225,000	192,710	32,290	225,000	54,887	170,113
Special Road Districts	200,000	207,480	(7,480)	181,680	193,981	(12,301)
Equipment repairs	5,000	0	5,000	5,000	0	5,000
Mileage	500	0	500	500	0	500
Equipment purchases	35,000	0	35,000	35,000	0	35,000
Construction, repair, and maintenance	225,000	217,558	7,442	225,000	131,679	93,321
Other	5,000	10	4,990	5,000	11	4,989
Total Disbursements	695,500	617,758	77,742	677,180	380,558	296,622
RECEIPTS OVER (UNDER) DISBURSEMENTS	(80,500)	100,355	180,855	(55,980)	145,181	201,161
CASH, JANUARY 1	284,722	284,722	0	139,541	139,541	0
CASH, DECEMBER 31	204,222	385,077	180,855	83,561	284,722	201,161
PROSECUTING ATTORNEY CHILD SUPPORT FUND						
RECEIPTS						
Intergovernmental	74,345	81,457	7,112	64,620	68,256	3,636
Interest	1,000	802	(198)	500	1,200	700
Total Receipts	75,345	82,259	6,914	65,120	69,456	4,336
DISBURSEMENTS						
Office expenditures	11,500	14,761	(3,261)	8,000	11,128	(3,128)
Salaries	48,000	50,250	(2,250)	48,000	48,000	0
Employee fringe benefits	11,516	13,659	(2,143)	12,126	8,957	3,169
Seminars and training	1,000	149	851	1,000	464	536
Equipment purchases	500	0	500	1,000	0	1,000
Miscellaneous	2,830	0	2,830	0	0	0
Total Disbursements	75,346	78,819	(3,473)	70,126	68,549	1,577
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1)	3,440	3,441	(5,006)	907	5,913
CASH, JANUARY 1	14,219	14,219	0	13,312	13,312	0
CASH, DECEMBER 31	14,218	17,659	3,441	8,306	14,219	5,913

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>MAPPING IMPROVEMENT FUND</u>						
RECEIPTS						
Interest	2,000	1,871	(129)	1,900	2,713	813
Transfers in	0	1,404	1,404	0	0	0
Total Receipts	2,000	3,275	1,275	1,900	2,713	813
DISBURSEMENTS						
Maps	50,000	12,293	37,707	50,000	0	50,000
Transfers out	0	0	0	0	3,650	(3,650)
Total Disbursements	50,000	12,293	37,707	50,000	3,650	46,350
RECEIPTS OVER (UNDER) DISBURSEMENTS	(48,000)	(9,018)	38,982	(48,100)	(937)	47,163
CASH, JANUARY 1	49,135	49,135	0	50,072	50,072	0
CASH, DECEMBER 31	1,135	40,117	38,982	1,972	49,135	47,163
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	10,000	15,203	5,203	7,500	10,467	2,967
Interest	0	307	307	76	205	129
Total Receipts	10,000	15,510	5,510	7,576	10,672	3,096
DISBURSEMENTS						
Prosecuting Attorney	10,000	9,054	946	7,500	7,558	(58)
Transfers out	0	5,000	(5,000)	0	0	0
Total Disbursements	10,000	14,054	(4,054)	7,500	7,558	(58)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,456	1,456	76	3,114	3,038
CASH, JANUARY 1	8,765	8,765	0	5,651	5,651	0
CASH, DECEMBER 31	8,765	10,221	1,456	5,727	8,765	3,038
<u>DRUG ABUSE RESISTANCE EDUCATION FUND</u>						
RECEIPTS						
Interest	15	23	8	20	30	10
Other	500	0	(500)	800	0	(800)
Total Receipts	515	23	(492)	820	30	(790)
DISBURSEMENTS						
Sheriff	500	0	500	800	0	800
Total Disbursements	500	0	500	800	0	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	15	23	8	20	30	10
CASH, JANUARY 1	581	581	0	551	551	0
CASH, DECEMBER 31	596	604	8	571	581	10
<u>RECORDER'S USER FEES FUND</u>						
RECEIPTS						
Charges for services	10,000	14,565	4,565	12,000	10,447	(1,553)
Interest	0	145	145	0	153	153
Transfers in	10,000	10,000	0	12,000	12,000	0
Total Receipts	20,000	24,710	4,710	24,000	22,600	(1,400)
DISBURSEMENTS						
Recorder of Deeds	22,261	22,744	(483)	24,000	20,733	3,267
Total Disbursements	22,261	22,744	(483)	24,000	20,733	3,267
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,261)	1,966	4,227	0	1,867	1,867
CASH, JANUARY 1	2,261	2,261	0	394	394	0
CASH, DECEMBER 31	0	4,227	4,227	394	2,261	1,867

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY FUND						
RECEIPTS						
Property taxes	0	42	42	0	0	0
Interest	3,000	2,364	(636)	2,500	3,145	645
Transfers in	0	1,000	1,000	0	1,500	1,500
Total Receipts	3,000	3,406	406	2,500	4,645	2,145
DISBURSEMENTS						
Other	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,000	3,406	406	2,500	4,645	2,145
CASH, JANUARY 1	68,590	68,590	0	63,945	63,945	0
CASH, DECEMBER 31	71,590	71,996	406	66,445	68,590	2,145
LOCAL EMERGENCY PLANNING FUND						
RECEIPTS						
Intergovernmental	1,469	4,399	2,930	1,738	4,965	3,227
Interest	75	114	39	100	116	16
Transfers in	0	0	0	500	500	0
Total Receipts	1,544	4,513	2,969	2,338	5,581	3,243
DISBURSEMENTS						
Salaries	1,375	1,500	(125)	1,500	1,532	(32)
Seminars and training	700	523	177	950	863	87
Equipment purchases	1,000	1,000	0	0	0	0
Other	0	0	0	1,938	1,800	138
Total Disbursements	3,075	3,023	52	4,388	4,195	193
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,531)	1,490	3,021	(2,050)	1,386	3,436
CASH, JANUARY 1	3,501	3,501	0	2,115	2,115	0
CASH, DECEMBER 31	1,970	4,991	3,021	65	3,501	3,436
PEACE OFFICER'S STANDARD TRAINING FUND						
RECEIPTS						
Charges for services	6,000	4,355	(1,645)	5,000	4,224	(776)
Interest	300	462	162	200	593	393
Total Receipts	6,300	4,817	(1,483)	5,200	4,817	(383)
DISBURSEMENTS						
Sheriff	7,000	3,682	3,318	5,000	2,906	2,094
Total Disbursements	7,000	3,682	3,318	5,000	2,906	2,094
RECEIPTS OVER (UNDER) DISBURSEMENTS	(700)	1,135	1,835	200	1,911	1,711
CASH, JANUARY 1	12,265	12,265	0	10,354	10,354	0
CASH, DECEMBER 31	11,565	13,400	1,835	10,554	12,265	1,711
SHERIFF CIVIL FEES FUND						
RECEIPTS						
Charges for services	25,000	19,868	(5,132)	25,000	18,394	(6,606)
Interest	450	415	(35)	500	561	61
Total Receipts	25,450	20,283	(5,167)	25,500	18,955	(6,545)
DISBURSEMENTS						
Sheriff	25,000	18,096	6,904	20,500	19,747	753
Total Disbursements	25,000	18,096	6,904	20,500	19,747	753
RECEIPTS OVER (UNDER) DISBURSEMENTS	450	2,187	1,737	5,000	(792)	(5,792)
CASH, JANUARY 1	11,614	11,614	0	12,406	12,406	0
CASH, DECEMBER 31	12,064	13,801	1,737	17,406	11,614	(5,792)

Exhibit B

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>A.C.C.D. 911 MAPPING IMPROVEMENT FUND</u>						
RECEIPTS						
Intergovernmental	60,000	60,000	0	60,000	35,000	(25,000)
Interest	3,000	1,594	(1,406)	1,500	5,434	3,934
Total Receipts	63,000	61,594	(1,406)	61,500	40,434	(21,066)
DISBURSEMENTS						
Mapping	94,601	94,600	1	146,000	94,645	51,355
Total Disbursements	94,601	94,600	1	146,000	94,645	51,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,601)	(33,006)	(1,405)	(84,500)	(54,211)	30,289
CASH, JANUARY 1	33,006	33,006	0	87,217	87,217	0
CASH, DECEMBER 31	1,405	0	(1,405)	2,717	33,006	30,289
<u>SHERIFF'S CANINE TRAINING FUND</u>						
RECEIPTS						
Interest	20	33	13	0	29	29
Other	1,000	1,005	5	1,000	1,000	0
Total Receipts	1,020	1,038	18	1,000	1,029	29
DISBURSEMENTS						
Sheriff	1,000	995	5	600	484	116
Total Disbursements	1,000	995	5	600	484	116
RECEIPTS OVER (UNDER) DISBURSEMENTS	20	43	23	400	545	145
CASH, JANUARY 1	638	638	0	93	93	0
CASH, DECEMBER 31	658	681	23	493	638	145
<u>INVESTIGATIVE SQUAD FUND</u>						
RECEIPTS						
Intergovernmental	45,270	35,361	(9,909)	45,270	40,913	(4,357)
Interest	500	569	69	500	677	177
Other	30,387	25,727	(4,660)	27,824	29,305	1,481
Transfers in	0	7,000	7,000	0	0	0
Total Receipts	76,157	68,657	(7,500)	73,594	70,895	(2,699)
DISBURSEMENTS						
Sheriff	81,560	66,565	14,995	70,646	61,204	9,442
Total Disbursements	81,560	66,565	14,995	70,646	61,204	9,442
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,403)	2,092	7,495	2,948	9,691	6,743
CASH, JANUARY 1	11,582	11,582	0	1,891	1,891	0
CASH, DECEMBER 31	6,179	13,674	7,495	4,839	11,582	6,743
<u>TIPS HOTLINE FUND</u>						
RECEIPTS						
Interest	10	6	(4)	10	56	46
Other	3,000	250	(2,750)	0	0	0
Total Receipts	3,010	256	(2,754)	10	56	46
DISBURSEMENTS						
Phone	1,500	665	835	1,550	1,289	261
Total Disbursements	1,500	665	835	1,550	1,289	261
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,510	(409)	(1,919)	(1,540)	(1,233)	307
CASH, JANUARY 1	409	409	0	1,642	1,642	0
CASH, DECEMBER 31	1,919	0	(1,919)	102	409	307

Exhibit B

CLINTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	500	3,109	2,609	500	2,899	2,399
Interest	25	147	122	10	55	45
Total Receipts	525	3,256	2,731	510	2,954	2,444
DISBURSEMENTS						
Elections	1,000	0	1,000	0	0	0
Total Disbursements	1,000	0	1,000	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(475)	3,256	3,731	510	2,954	2,444
CASH, JANUARY 1	2,954	2,954	0	0	0	0
CASH, DECEMBER 31	2,479	6,210	3,731	510	2,954	2,444
<u>SCHOOL COPS FUND</u>						
RECEIPTS						
Intergovernmental	94,815	80,080	(14,735)	18,000	15,584	(2,416)
Interest	0	537	537	0	16	16
Other	6,000	6,000	0	6,000	6,000	0
Total Receipts	100,815	86,617	(14,198)	24,000	21,600	(2,400)
DISBURSEMENTS						
Sheriff	94,815	83,573	11,242	17,950	15,640	2,310
Total Disbursements	94,815	83,573	11,242	17,950	15,640	2,310
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,000	3,044	(2,956)	6,050	5,960	(90)
CASH, JANUARY 1	5,960	5,960	0	0	0	0
CASH, DECEMBER 31	11,960	9,004	(2,956)	6,050	5,960	(90)
<u>ASSOCIATE DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	550	425	(125)	800	442	(358)
Total Receipts	550	425	(125)	800	442	(358)
DISBURSEMENTS						
Associate Circuit Court	1,400	40	1,360	1,200	50	1,150
Total Disbursements	1,400	40	1,360	1,200	50	1,150
RECEIPTS OVER (UNDER) DISBURSEMENTS	(850)	385	1,235	(400)	392	792
CASH, JANUARY 1	1,301	1,301	0	909	909	0
CASH, DECEMBER 31	451	1,686	1,235	509	1,301	792
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	1,000	655	(345)	2,600	980	(1,620)
Total Receipts	1,000	655	(345)	2,600	980	(1,620)
DISBURSEMENTS						
Circuit Clerk	1,664	901	763	3,500	1,267	2,233
Total Disbursements	1,664	901	763	3,500	1,267	2,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	(664)	(246)	418	(900)	(287)	613
CASH, JANUARY 1	616	616	0	903	903	0
CASH, DECEMBER 31	(48)	370	418	3	616	613

Exhibit B

CLINTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	5,900	5,870	(30)	5,500	5,905	405
Total Receipts	5,900	5,870	(30)	5,500	5,905	405
DISBURSEMENTS						
Law Library	8,500	8,770	(270)	5,000	5,090	(90)
Total Disbursements	8,500	8,770	(270)	5,000	5,090	(90)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,600)	(2,900)	(300)	500	815	315
CASH, JANUARY 1	6,456	6,456	0	5,641	5,641	0
CASH, DECEMBER 31	3,856	3,556	(300)	6,141	6,456	315
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	150,500	157,185	6,685	300,000	149,387	(150,613)
Intergovernmental	323,700	320,672	(3,028)	377,000	347,202	(29,798)
Charges for services	45,000	52,007	7,007	45,000	58,470	13,470
Interest	7,000	8,541	1,541	7,000	6,789	(211)
Other	38,500	52,568	14,068	65,800	68,592	2,792
Total Receipts	564,700	590,973	26,273	794,800	630,440	(164,360)
DISBURSEMENTS						
Salaries	412,625	421,545	(8,920)	517,060	467,726	49,334
Office expenditures	13,300	10,209	3,091	13,400	11,283	2,117
Equipment	6,500	2,858	3,642	7,500	10,482	(2,982)
Mileage and training	22,000	23,835	(1,835)	24,000	23,204	796
Other	95,450	75,008	20,442	109,250	105,359	3,891
Total Disbursements	549,875	533,455	16,420	671,210	618,054	53,156
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,825	57,518	42,693	123,590	12,386	(111,204)
CASH, JANUARY 1	75,362	75,362	0	62,976	62,976	0
CASH, DECEMBER 31	90,187	132,880	42,693	186,566	75,362	(111,204)
<u>SENATE BILL 40 FUND</u>						
RECEIPTS						
Property taxes	365,310	155,985	(209,325)	142,295	148,169	5,874
Intergovernmental	0	0	0	0	0	0
Interest	15,000	11,767	(3,233)	11,000	12,234	1,234
Other	0	5	5	0	2,860	2,860
Total Receipts	380,310	167,757	(212,553)	153,295	163,263	9,968
DISBURSEMENTS						
Administrative expenses	5,500	5,201	299	5,000	3,676	1,324
Programs	209,500	207,507	1,993	187,250	116,167	71,083
Total Disbursements	215,000	212,708	2,292	192,250	119,843	72,407
RECEIPTS OVER (UNDER) DISBURSEMENTS	165,310	(44,951)	(210,261)	(38,955)	43,420	82,375
CASH, JANUARY 1	342,593	342,593	0	299,173	299,173	0
CASH, DECEMBER 31	507,903	297,642	(210,261)	260,218	342,593	82,375

Exhibit B

CLINTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ALEXANDER TRUST FUND</u>						
RECEIPTS						
Interest	550	843	293			
Total Receipts	550	843	293			
DISBURSEMENTS						
Senate Bill 40 Board	0	1,000	(1,000)			
Total Disbursements	0	1,000	(1,000)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	550	(157)	(707)			
CASH, JANUARY 1	15,000	15,000	0			
CASH, DECEMBER 31	15,550	14,843	(707)			
<u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental	6,968	6,968	0			
Interest	0	73	73			
Total Receipts	6,968	7,041	73			
DISBURSEMENTS						
Sheriff	6,968	7,041	(73)			
Total Disbursements	6,968	7,041	(73)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	0	0			
<u>PROSECUTING ATTORNEY VICTIMS OF CRIME ADVOCATE FUND</u>						
RECEIPTS						
Intergovernmental	6,640	5,736	(904)			
Interest	0	13	13			
Transfers in	5,000	5,000	0			
Total Receipts	11,640	10,749	(891)			
DISBURSEMENTS						
Salaries	6,126	5,480	646			
Fringe Benefits	514	435	79			
Office Expenditures	5,000	2,283	2,717			
Total Disbursements	11,640	8,198	3,442			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	2,551	2,551			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	2,551	2,551			
<u>SUBDIVISION FUND</u>						
RECEIPTS						
Interest	20	1,710	1,690			
Other	55,500	55,500	0			
Total Receipts	55,520	57,210	1,690			
DISBURSEMENTS						
Road Improvements	5,000	0	5,000			
Total Disbursements	5,000	0	5,000			
RECEIPTS OVER (UNDER) DISBURSEMENTS	50,520	57,210	6,690			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	50,520	57,210	6,690			

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

CLINTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Clinton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, Senate Bill 40 Board, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed by warrant or in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Alexander Trust Fund	2000
Local Law Enforcement Block Grant	2000
Victims of Domestic Violence Fund	2001 and 2000
Family Guidance Fund	2001 and 2000

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Training Fund	2001
Prosecuting Attorney Child Support Fund	2001
Prosecuting Attorney Bad Check Fund	2001 and 2000
Recorder's User Fees Fund	2001
Law Library Fund	2001 and 2000
Alexander Trust Fund	2001
Local Law Enforcement Block Grant Fund	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

Deficit budget balances are presented for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	2001 and 2000
Special Road & Bridge Fund	2001 and 2000
Assessment Fund	2001 and 2000

However, the budgets of those funds also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Circuit Clerk Interest Fund for the year ended December 31, 2001.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check Fund	2000
Recorder's User Fees Fund	2000
Associate Division Interest Fund	2001 and 2000
Circuit Clerk Interest Fund	2001 and 2000
Drug Abuse Resistance Education Fund	2000
Emergency Fund	2000
Law Library Fund	2001 and 2000
Alexander Trust Fund	2001

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for the various local governments. However, for the purposes of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

Of the county's bank balance at December 31, 2001, \$4,050,220 was covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name and \$296,898 was uninsured and uncollateralized.

Of the Health Center Board's bank balance at December 31, 2001, \$100,000 was covered by federal depositary insurance and \$14,516 was uninsured and uncollateralized.

Furthermore, because of significantly higher bank balances at certain times during the year, the amounts of uninsured and uncollateralized balances for the county and Health Center Board were substantially higher at those times than such amounts at year-end.

To protect the safety of the county's and Health Center Board's deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

The county's deposits at December 31, 2000, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's deposits at December 31, 2000, were entirely covered by federal depositary insurance.

The Senate Bill 40 Board's deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance or by collateral securities held by the custodial bank in the Board's name.

Supplementary Schedule

Schedule

CLINTON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2001	2000
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-0124 ERS0045-1124 ERS0045-2124	\$ 69,792	67,559
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	1999UMWX3218 2000SHWX0474 1999UMWX3218 2000SHWX0474	0 0 38,316 80,080	37,944 15,584 0 0
	Program Total		<u>118,396</u>	<u>53,528</u>
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	0	880
Passed through:				
State Department of Public Safety -				
16.554	National Criminal History Improvement Program	95-RU-RX-K011	0	10,806
16.575	Crime Victim Assistance	2000-VOCA-0025	8,633	0
16.592	Local Law Enforcement Block Grants Program	99-LBG-020 2001-LB-BX-0453	0 6,968	8,950 0
	Program Total		<u>6,968</u>	<u>8,950</u>
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,430	2,106
16.727	Missouri Office of Prosecution Services (MOPS)- Missouri State Highway Patrol	N/A	1,265	0
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-025(14) BRO-025(16)	183,414 645	0 14,991
	Program Total		<u>184,059</u>	<u>14,991</u>
20.600	State and Community Highway Safety	01-PT-02-38	6,191	0
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	1,469	1,738

Schedule

CLINTON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2001	2000
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	1,962	1,584
83.544	Public Assistance Grants	N/A	2,512	2,579
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERS146-1124L ER0146-0124CLPP	750	361
93.268	Immunization Grants	N/A	35,569	35,180
	Program Total	PGA064-2124A	<u>1,260</u>	<u>0</u>
			<u>36,829</u>	<u>35,180</u>
Department of Social Services -				
93.563	Child Support Enforcement	N/A	80,054	54,241
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-0124C PGA067-1124C PGA067-2124C PGA067-0124S PGA067-1124S PGA067-2124S	2,079	3,190
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS161-00077 ERS161-10084 ERS161-20054	4,518	4,576
93.991	Preventive Health and Health Services Block Grant	N/A	0	375
93.994	Maternal and Child Health Services Block Grant to the States	N/A ERS146-0124M ERS146-1124M ERS175-2017F ERS175-0124F ERS175-1124F C700015014	3,165 23,781	1,875 27,774
	Program Total		<u>26,946</u>	<u>29,649</u>
	Total Expenditures of Federal Awards		<u>\$ 553,853</u>	<u>292,293</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

CLINTON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Clinton County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Immunization Grants (CFDA number 93.268) and the Preventive Health and Health Services Block Grant (CFDA number 93.991) represent the original acquisition cost of vaccines obtained by the Health Center through the state

Department of Health during the year ended December 31, 2000. Amounts for the Immunization Grants (CFDA number 93.268) during the year ended December 31, 2001 and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Clinton County, Missouri

Compliance

We have audited the compliance of Clinton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Clinton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000. However, the results of our auditing procedures disclosed an

instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-1.

Internal Control Over Compliance

The management of Clinton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Clinton County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

August 8, 2002 (fieldwork completion date)

Schedule

CLINTON COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2001 AND 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:

Material weakness identified? _____ yes x no

Reportable condition identified that is not considered to be a material weakness? _____ yes x none reported

Noncompliance material to the financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

Material weakness identified? _____ yes x no

Reportable condition identified that is not considered to be a material weakness? x yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? x yes _____ no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.710	Public Safety Partnership and Community Policing Grants (COPS)
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes x no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

01-1. Schedule of Expenditures of Federal Awards
--

Federal Grantor:	U.S. Department of Agriculture
Pass-Through Grantor:	Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-Through Entity Identifying Number:	ER0045-0124
Award Years:	2001 and 2000
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Not applicable
Federal CFDA Number:	16.710
Program Title:	Public Safety Partnership and Community Policing Grants (COPS)
Pass-Through Entity Identifying Number:	2000-SH-WX-0470
Award Years:	2001 and 2000
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Health and Human Services
Pass-Through Grantor:	Department of Social Services
Federal CFDA Number:	93.563
Program Title:	Child Support Enforcement
Pass-Through Entity Identifying Number:	N/A
Award Years:	2001 and 2000
Questioned Costs:	Not applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have procedures in place to track federal financial assistance for the preparation of the SEFA. The county's SEFA contained numerous errors and omissions. The 2001 and 2000 expenditures from the Public Safety Partnership and Community Policing Grants (CFDA number 16.710) were overstated by \$10,045 and \$7,342, respectively, and were shown as a local law enforcement block grant in 2001 and as a maternal and child health services grant in 2000. Expenditures for several other grants were not accurate. The Health Center only reports revenues from grants they administer and there is no evidence that the county requested expenditure amounts for the schedule. Two federally funded programs, with expenditures totaling approximately \$89,000, were not included on the SEFA, and several programs which were not federally funded were included. In addition, the SEFA did not include the required pass-through entities' identifying numbers or contract numbers for some programs.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

WE RECOMMEND the County Clerk prepare complete and accurate schedules of expenditures of federal awards.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

We agree and will ensure that the 2002 SEFA schedule is accurate and complete.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

CLINTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

CLINTON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

CLINTON COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Clinton County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 8, 2002. We also have audited the compliance of Clinton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 8, 2002.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes the findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Clinton County but do

not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Bidding and Contracts

- A. Bids were not always solicited, nor was bid documentation always retained for various purchases made by the county during the audit period. Examples of items purchased for which bids were not solicited or adequate documentation could not be located were as follows: gas for approximately \$25,000 annually, chip and sealing of county roads for approximately \$16,000, and culverts for approximately \$9,300. In addition, the County Commission paid \$104,000 for a grader, which was \$13,000 more than the lowest bidder's price. The county commission minutes did not indicate the reason for accepting the higher bid.

Section 50.660, RSMo 2000, requires the advertisement for bids for all purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidders. In addition, competitive bidding ensures all parties are given an equal opportunity to participate in county business. Documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request proposal, newspaper publication notices when available, bids received, the basis and justification for awarding bids, and documentation of all discussions with vendors.

- B. The county did not enter into formal written agreements for ACCD 911 system mapping services and for funding provided to the Clinton County domestic violence shelter. During the two years ended December 31, 2001, the county paid approximately \$207,000 for ACCD 911 mapping services and approximately \$2,850 to the domestic violence shelter.

Written agreements provide the framework necessary to detail the services to be provided and the compensation to be paid. In addition, Section 432.070, RSMo 2000, prohibits a county from making a contract unless it is in writing. In addition to being required by statute, written contracts are necessary to document the duties, rights, and responsibilities of each party and should establish performance criteria which must be met prior to payment for work completed. Board minutes should document approval of all agreements.

WE RECOMMEND the County Commission:

- A. Solicit bids for all items in accordance with Section 50.660, RSMo 2000. Documentation of bids solicited and justification for bid awards should be retained by the County Clerk.
- B. Ensure that contracts are obtained and entered into for services received.

AUDITEE'S RESPONSE

- A. *We agree and will ensure that we maintain better documentation in the future.*
- B. *We agree and will do this in the future.*

2. Closed Meeting Minutes

Minutes were not always prepared to document the matters discussed in closed meetings. In addition, open meeting minutes did not always document the related vote to close the meeting, reasons for closing the meeting, or the final disposition of matters discussed in closed meetings.

Section 610.021, RSMo 2000, allows the County Commission to close meetings to the extent they related to certain specified subjects, including litigation, real estate transactions, and personnel issues. Without the preparation of closed minutes, there is less evidence that the provisions of the Sunshine Law, Chapter 610, RSMo, regarding these closed meetings, have been followed.

Section 610.022, RSMo 2000, requires that before any meeting may be closed, the reason for the closed meeting shall be voted on at an open session. This law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo 2000, requires certain matters discussed in closed meetings to be made public upon final disposition.

WE RECOMMEND the County Commission ensure minutes are prepared, approved, and retained for all closed meetings, reasons for closing a meeting are documented, and the final disposition of matters discussed in closed meetings is made public as required by state law.

AUDITEE'S RESPONSE

We will ensure this is done in the future.

3.

Multi-County (ACCD) 911 System

The ACCD 911 system was formed in 1992 by Andrew, Caldwell, Clinton, and DeKalb counties and the City of Cameron. Financial records are maintained by DeKalb County officials. Each county is responsible for providing dispatching and coordination services, and each county has performed separate 911 mapping. Operations are funded by an emergency telephone tax which is authorized by Section 190.305, RSMo 2000.

Clinton County requests monies from DeKalb County to cover all mapping expenditures. The county received \$236,010 for 911 mapping expenditures, but provided documentation for only \$203,675. The county should review mapping expenditures and advances not used for allowable mapping expenses should be refunded to the 911 board.

WE RECOMMEND the County Commission review supporting documentation for mapping expenditures and refund any advances not used for allowable mapping expenditures.

AUDITEE'S RESPONSE

We agree and will discuss this issue with the Multi-County (ACCD) 911 Board and will plan to disburse these funds by January 2003.

4.

Officials' Salaries

During our audit we noted the following conditions related to various elected officials' salaries:

- A. Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Clinton County's Associate County Commissioners salaries were each increased approximately \$7,400 yearly, according to information from the County Clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of statute violated Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. This case, *Laclede County v. Douglass et al.*, holds that all raises given pursuant to this section are unconstitutional.

Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$14,800 for the two years ended December 31, 2000, should be repaid.

- B. All county officials received raises, effective January 1, 2000, due to a change in assessed valuation of the county. However, Section 50.333.8, RSMo, states that the elected officials' salaries shall be adjusted each year on the official's year of incumbency for any increase in the maximum allowable salary caused by a change in the last completed assessment. The County Collector and County Assessor received these raises prior to their dates of incumbency which are March 1 and September 1, respectively. In addition, the Salary Commission used the current year's assessed valuation rather than the preceding year's assessed valuation to determine the maximum allowable salaries for all officials in 2000.

WE RECOMMEND the County Commission and the salary commission:

- A. Review the impact of this decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Request a written opinion from the Prosecuting Attorney as to the legality of the salary increases that went into effect on January 1, 2000, and proceed accordingly.

AUDITEE'S RESPONSE

- A. *The Salary Commission, at that time, passed these raises based on existing state law, and the current County Commission does not plan to request repayment at this time.*
- B. *We will request a written legal opinion from the Prosecuting Attorney regarding the legality of these raises, and in the future we will request written legal opinions on various issues.*

5.

Payroll

The 911 Coordinator is paid approximately \$17,000 annually from the Special Road and Bridge Fund. During the years ended December 31, 2001 and 2000, approximately 24 percent and 29 percent, respectively, of the salary was reimbursed by the 911 Fund. The county does not maintain documentation to support the amount of salary reimbursed by the 911 Fund, nor do they maintain detailed timesheets for the employee.

Since the 911 Coordinator performs various tasks related to general county government, 911 coordination, and road and bridge, the County Commission should ensure the 911 Coordinator's pay is properly allocated between the three areas, based on a detailed timesheet.

WE RECOMMEND the County Commission require detailed timesheets from the 911 Coordinator to ensure appropriate amounts are paid from the 911 Fund, Special Road and Bridge Fund and General Revenue Fund.

AUDITEE'S RESPONSE

We agree and will ensure detailed timesheets are maintained in the future.

6. County Clerk

The County Clerk does not maintain a complete account book with the County Collector. The County Clerk maintains only delinquent tax information in her account book. An account book would summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. An account book, prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and the tax books, would enable the County Clerk to ensure the amount of taxes charged and credited to the collector each year is complete and accurate.

Section 51.150(2), RSMo 2000, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. A properly maintained account book could be used by the County Commission to verify the County Collector's annual settlements.

WE RECOMMEND the County Clerk establish and maintain an account book of the County Collector's transactions, and the County Commission make use of this account book to verify the County Collector's annual settlements.

AUDITEE'S RESPONSE

I agree and will begin to maintain a complete account book effective with the preparation of the 2002 tax books.

7. Associate Division Accounting Controls
--

- A. Formal bank reconciliations for the bond account were not prepared. Timely preparation of bank reconciliations is necessary to ensure accounting records and bank records are in agreement and allows for timely detection and correction of errors.
- B. Monthly listings of open items for the bond account are prepared, but the listings are not reconciled to the cash balances. The open items listing at December 31, 2001 exceeded the cash balance by approximately \$370. Our review of the bond account report revealed instances where items were not properly recorded on the report,

which serves as the open items listing. For instance, a receipt for \$175 in January 2000 and two disbursements for \$300 and \$500 in May and June 2001, respectively, had not been posted to the open items listing. Differences identified through the reconciliation process indicate errors within the accounting records that should be investigated and resolved.

A periodic reconciliation of open items to the cash balance provides assurance that the records are in balance, that receipts and disbursements have been accurately handled and recorded, and that sufficient cash is available for payment of all liabilities.

- C. Checks which have been outstanding for a considerable length of time should be periodically reviewed. We noted eight checks, totaling approximately \$420, which were outstanding over one year. If the payees of old outstanding checks can be identified and located, these checks should be reissued. Monies which remain unclaimed should be turned over to the state's Unclaimed Property Section in accordance with Section 447.532, RSMo 2000.

WE RECOMMEND that the Associate Division:

- A. Prepare and document bank reconciliations for the bond account on a monthly basis and reconcile to the accounting records. Ensure documented periodic reviews of receipts to deposits and bank reconciliations are performed.
- B. Ensure a complete and accurate open items list is maintained and reconciled to the cash balance monthly. Any discrepancies should be promptly investigated and resolved.
- C. Reissue old outstanding checks where the payee can be located. Any unclaimed amounts should be turned over to the state's Unclaimed Property Section in accordance with state law.

AUDITEE'S RESPONSE

The Associate Clerk responded:

- A. *We have always reviewed the bond account bank statement, but in the future we will ensure it is clearly documented that the book and bank records are in agreement. We have already begun providing copies of the bank reconciliations to the judge for review.*
- B. *The open items listing now reconciles to the cash balance and we will ensure the listing is reconciled to the cash balance in the future.*
- C. *We agree and plan to do this immediately.*

- A. The duties of cash custody and record-keeping have not been adequately segregated. The Sheriff's bookkeeper is primarily responsible for collecting, recording, depositing, and disbursing all monies received in the Sheriff's office. There are no documented reviews of the accounting records performed by the Sheriff.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- B. We noted the following concerns regarding receipts:

1. Receipts are not deposited on a timely basis. Deposits were generally made weekly, but during a cash count we noted some monies on hand had been held for over three weeks. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited daily or when accumulated receipts exceed \$100.
2. Receipts are not posted to the cash control ledger when written and the method of payment is not always indicated on receipt slips. Receipts are posted to the cash control ledger at month end. To ensure accounting records are complete, to assist in the reconciliation process, and to allow for consistent deposit procedures to be developed, receipts should be posted to the cash control ledger when written. In addition, the method of payment should be indicated on each receipt slip and the composition should be reconciled to the composition of bank deposits.

- C. Bank reconciliations are not performed for the commissary account. During 2001 and 2000, 13 of 24 bank statements had not even been opened by the clerk. In addition, an open items listing is not prepared monthly and reconciled with the account balance. Individual inmate account balances are maintained on the computer system, but the clerk indicated she did not know how to print out an open items listing, which would summarize the balance of all the accounts. We prepared an open items listing as of July 31, 2002, by manually totaling the individual accounts, and reconciled the July 2002 bank statement. The commissary account reconciled bank balance exceeded open items by \$197. While the Sheriff indicated this excess was the profit from handling the account, there was no documentation to support that.

The preparation of monthly bank reconciliations is necessary to ensure that all monies are properly deposited, bank accounts are in agreement with the accounting

records, and errors or discrepancies are detected on a timely basis. In addition, the preparation of an accurate open items listing and comparison to the reconciled cash balance ensures sufficient assets exist to cover liabilities and all monies are properly recorded and handled. Profits earned from handling this account should be periodically remitted to the county treasury.

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible. At a minimum, the Sheriff should perform documented reviews of the accounting records.
- B.1. Deposit daily or when accumulated receipts exceed \$100.
 - 2. Post all receipts to the cash control ledger on a timely basis. In addition, ensure method of payment is indicated on all receipt slips and reconcile the composition of receipts to the composition of bank deposits.
- C. Prepare bank reconciliations for the commissary account and reconcile the cash balance to the open items listing on a monthly basis. In addition, the excess cash balance which represents profit should be remitted periodically to the county treasury.

AUDITEE'S RESPONSE

- A. *I agree and will begin performing periodic reviews of accounting records immediately.*
- B.1. *I agree and will ensure deposits are made twice weekly or once we receive \$100.*
 - 2. *I agree and will ensure this is done.*
- C. *I agree. Bank reconciliations will be performed monthly and we will reconcile the cash balance to open items listing. Any excess cash greater than \$100 will be turned over to county treasury at least twice a year.*

9. Health Center

- A. The Health Center does not have a depository agreement with the bank and collateral securities were not pledged by the Health Center Board's depository bank for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) coverage. At December 31, 2001, the board's bank balance exceeded FDIC coverage by \$14,516 and at other times throughout the year the boards' deposits were not adequately collateralized.

Section 110.020, RSMo 2000, requires the value of securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount

insured by the FDIC. Inadequate collateral securities leave board funds unsecured and subject to loss in the event of bank failure.

- B. Receipt slips are not issued for some monies received. To help ensure receipts are properly recorded and deposited, prenumbered receipt slips should be issued for all monies received immediately upon receipt. The receipt slip should indicate the method of payment (i.e. cash, checks, or money orders) and the composition should be reconciled to the bank deposits.

WE RECOMMEND the Health Center Board:

- A. Obtain a bank depository agreement and ensure adequate collateral securities are pledged for all deposits in excess of FDIC coverage.
- B. Require that prenumbered receipt slips be issued for all monies received. In addition, the method of payment should be indicated on all receipts and the composition of receipts should be reconciled to deposits.

AUDITEE'S RESPONSE

- A. *We agree and will have this implemented by November 1, 2002.*
- B. *We agree and have implemented this recommendation.*

10.

Senate Bill 40 Board

- A.1. The board did not enter into a formal written agreement with the Cameron Children's Development Center (CCDC) and paid them approximately \$44,000 during the two years ended December 31, 2001.
- 2. The contract with Clinco (sheltered workshop provider) was not up to date. The most recent signed contract with Clinco was from 1993. That contract allows for salaries of a production worker to be \$12,000, however, a current production worker was noted as receiving approximately \$17,800. Total contract payments to Clinco for 2001 and 2000 were approximately \$80,900 and \$36,200, respectively.

Written agreements provide the framework necessary to detail the services to be provided and the compensation to be paid. In addition, Section 432.070, RSMo 2000, prohibits a county from making a contract unless it is in writing. In addition to being required by statute, written contracts are necessary to document the duties, rights, and responsibilities of each party and should establish performance criteria which must be met prior to payment for work completed. Board minutes should document approval of all agreements.

- B. The board has not established a written policy for the review and approval of requests for funds by citizens. Requests for funds are submitted to the board and are typically reviewed at board meetings. The approval or denial of a request is typically documented in the minutes, but there is little detail provided in situations where a request is denied. During our audit period, we noted an instance where a request for funds by a citizen was denied and the reason stated was that more information needed to be provided to determine if the request would be beneficial. We also noted instances where requests for funds for a similar purpose were made by board members and were approved without further review or a determination of the benefit of the purchase.

The board should consider establishing a written policy, which defines the requirements for approving requests for funds to ensure fair and equitable treatment is extended to all citizens.

- C. The board made payments to vendors without requiring or retaining adequate supporting documentation. For example, invoices for \$1,622 and \$1,522 were paid to purchase computers for handicap children in the county, and \$14,860 was paid to Albany Regional One Council for services provided to group home residents of Clinton County; however, these invoices were not retained by the board. In addition, approval of expenditures is not adequately documented. Generally, the approval is not documented in the meeting minutes, but is given verbally from the Board Treasurer to the accounting clerk.

All disbursements should be supported by paid receipts or vendor-provided invoices. Such documentation is necessary to ensure the purchase is a proper disbursement of Senate Bill 40 funds. In addition, expenditures made from board funds should be reviewed and approved by the board before payment is made to ensure all disbursements represent valid costs of the board.

WE RECOMMEND the Senate Bill 40 Board:

- A. Enter into written agreements for all services and up date all contracts. The written agreement should detail all duties to be performed and the compensation to be paid under the agreement.
- B. Establish a written policy detailing the requirements for requesting funds.
- C. Ensure adequate documentation is received and maintained to support all expenditures. In addition, review and approve all expenditures of Senate Bill 40 funds.

AUDITEE'S RESPONSE

- A. *We agree and plan to enter into contracts with these entities by January 2003.*
- B. *We agree and plan to develop a written policy for the public to use when requesting funds from the Senate Bill 40 Board by January 2003. Future minutes will include more detail regarding these types of situations.*
- C. *Adequate documentation will be maintained for the future, and meeting minutes will include a listing of all approved expenditures.*

This report is intended for the information of the management of Clinton County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

CLINTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Clinton County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the three years ended December 31, 1997. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgets and Financial Statements

- A. Formal budgets were not prepared for various county funds for the year ended December 31, 1997, 1996 and 1995.
- B. Disbursements for several funds exceeded the approved budget.
- C. The financial activity of some county funds was not included in the annual published financial statements.

Recommendations:

- A. The County Commission ensure financial information for all county funds is included in the annual budgets.
- B. The County Commission and the Health Center Board of Trustees refrain from incurring disbursements in excess of budgeted amounts. If additional funds are received which could not be estimated when the budget was adopted, the budget should be amended by following the procedures required by state law.
- C. The County Commission ensure financial information for all county funds is properly reported in the annual financial statements.

Status:

- A,B,
&C. Not implemented. Although not repeated in the current MAR, these recommendations remain as stated above.

2. Property Tax Reduction Due to Sales Tax

Voters authorized a ½ cent county sales tax with a ballot restriction that provided the county would annually reduce its property tax levy by 50 percent of the total amount of sales tax collected. Although the county had adequate procedures to calculate the roll back and to set the property tax levy, the county had not adjusted for excess property taxes collected in prior

years. As a result, the county did not make adequate adjustment to correct for excess property taxes collected in prior years.

Recommendation:

The County Commission ensure appropriate adjustments are made to the levy to reflect excess property taxes collected in prior years.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

CLINTON COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1833, the county of Clinton was named after DeWitt Clinton, an American Statesman. Clinton County is a county-organized, third-class county and is part of the 43rd Judicial Circuit. The county seat is Plattsburg.

Clinton County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Clinton County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 1,060,665	34	967,202	33
Sales taxes	618,013	19	547,304	18
Federal and state aid	876,837	28	846,647	29
Fees, interest, and other	596,565	19	583,677	20
Total	\$ 3,152,080	100	2,944,830	100

The following chart shows how Clinton County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county	\$ 1,012,874	32	969,023	32
Public safety	707,190	22	660,604	22
Highways and roads	1,463,619	46	1,362,546	46
Total	\$ 3,183,683	100	2,992,173	100

During 2001 and 2000, Clinton County received \$718,113 and \$525,739, respectively, in the Capital Improvements Fund and expended \$617,758 and \$380,558, respectively, for the purpose of bridge construction and maintenance.

The county and two Special Road Districts maintain approximately 102 county bridges and 517 miles of county roads.

The county's population was 12,462 in 1970 and 18,979 in 2000. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	2001	2000	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 125.3	119.9	57.9	39.1	24.4
Personal property	43.0	40.1	12.8	9.2	6.1
Railroad and utilities	10.0	11.4	12.8	9.2	6.8
Total	\$ 178.3	171.4	83.5	57.5	37.3

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Clinton County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,	
	2001	2000
General Revenue Fund	\$.2076	.2200
Special Road and Bridge Fund*	.3500	.3500
Health Center Fund	.0909	.0909
Senate Bill 40 Board Fund	.0909	.0909

* The county retains all tax proceeds from areas not within road districts. The county has 2 road districts that receives four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments.

Taxes collected were distributed as follows:

	Year Ended February 28 (29),	
	2002	2001
State of Missouri	\$ 53,681	51,262
General Revenue Fund	378,989	373,755
Road Funds	1,101,215	1,048,600
Assessment Fund	107,599	98,115
Health Center Fund	161,127	152,824
Senate Bill 40 Board Fund	159,885	151,615
School districts	7,079,237	6,369,322
Ambulance district	297,650	308,640
Fire protection district	438,776	419,429
Watershed	1,752	1,519
Refunds and miscellaneous	3,121	2,720
Cities	473,125	223,802
County Clerk	1,144	1,152
County Employees' Retirement	64,882	59,303
Commissions and fees:		
General Revenue Fund	173,329	159,702
Collector	15,831	5,920
County Clerk	4,296	0
Total	\$ <u>10,515,639</u>	<u>9,427,680</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),	
	2002	2001
Real estate	92 %	92 %
Personal property	87	89
Railroad and utilities	98	100

Clinton County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50 %
Capital improvements	.0050	2007	0

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2002	2001	2000
County-Paid Officials:			
Mark Hoover, Presiding Commissioner	\$	29,060	29,060
James Crenshaw, Associate Commissioner		27,060	27,060
E.W. Dixon, Associate Commissioner		27,060	27,060
Mary Blanton, County Clerk (1)		41,440	41,000
Mitch Elliott, Prosecuting Attorney		49,000	49,000
Dan Jones, Sheriff		45,000	38,032
Grace Daniels, County Treasurer		30,340	30,340
Robert Angle, County Coroner		13,000	7,500
John Denis O'Connor, Public Administrator (2)		20,000	13,839
Sharon Cockrum, County Collector (3), year ended February 28 (29),	55,993	46,686	
Jerry Howard, County Assessor (4), year ended August 31,		41,900	41,900

- (1) County Clerk earned \$440 in 2001 for collecting city property taxes.
- (2) Includes fees received from probate cases for the year 2000.
- (3) Includes \$14,758 and \$5,686 respectively, of commissions earned for collecting city property taxes for the collector. A portion of the commissions earned each year were paid in March of the following year.
- (4) Includes \$900 annual compensation received from the state.

State-Paid Officials:

Betty Mallen, Circuit Clerk and Ex Officio Recorder of Deeds	47,300	46,127
Paul T. Luckenbill, Jr., Associate Circuit Judge	96,000	97,382

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	3	
Circuit Clerk and Ex Officio Recorder of Deeds	2	3
County Clerk	2	
Prosecuting Attorney	6	
Sheriff	26	
County Treasurer	1	
County Coroner	1	
County Collector	3	
County Assessor	6	
Associate Division		3
Probate Division	1	
Road and Bridge	19	
Health Center	16	
Juvenile Officer	1	
Total	<u>87</u>	<u>6</u>

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Clinton County's share of the 43rd Judicial Circuit's expenses is 30.55 percent.